

Inflow of growth has
been rather slow



**ASSIGN
BUSTER**

Inflow of FDI into India has shown a steady increase over time, though its rate of growth has been rather slow when compared with the world total and some other developing countries like China. This is primarily due to the following reasons: 1. Deep-rooted obstructions in the FDI process which are being removed only bit by bit. Observers and potential investors maintain that they have still to face too many and time-consuming procedural hurdles. 2. These hurdles increase when the investors have to deal with state and local level authorities. 3. Our country is deficient in infrastructure needed for a vibrant and healthy industrial economy, particularly when we consider uninterrupted power supply and such enabling inputs. 4.

Our labour laws come in the way of rapid decisions directed at cutting costs, and adjusting production processes and product-mix, etc., there being a political component to the problem. 5. The policy and institutional frameworks of countries competing with us for FDI inflows are more congenial. They have also better infrastructure than ours, and more flexible labour laws.